

Section 2

Update on the implementation of
recommendations from:

**Financial Framework Supporting the
Legislative Assembly**

April 2007

October 2008

Auditor General recommendations – April 2007

We recommend that:

A suitable internal audit provider be engaged to examine and report periodically to senior management on the operation of financial controls across all Vote 1 expenditure areas, including constituency offices.

Clearer procedures, policies and guidelines for financial control be put in place, covering:

- types and frequency of financial procedures to be performed, and financial control reports to be produced and reviewed by the senior management team; and
- procedures for identifying, documenting and following up significant variances or changes to financial plans.

Business Continuity and Disaster Recovery Plans covering financial systems in the Legislative Assembly be completed and periodically tested.

Financial reporting requirements to the Legislative Assembly Management Committee be established and include regular reporting and discussion of actual and budget spending, as well as publicly available audited annual financial statements for Vote 1.

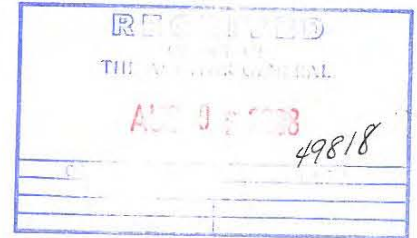
A more clearly documented process be put into place for the production and approval of the annual operating and capital budget, including the respective roles of senior management and Legislative Assembly Management Committee members.

Response from the Clerk of the Legislative Assembly

E. GEORGE MACMINN, Q.C.
CLERK OF THE
LEGISLATIVE ASSEMBLY
(250) 387-3785
FAX (250) 387-0942



ROOM 221, PARLIAMENT BUILDINGS
VICTORIA, BRITISH COLUMBIA
V8V 1X4



August 5, 2008

Malcolm Gaston, MA, CPFA
Assistant Auditor General
8 Bastion Square
Victoria, British Columbia
V8V 1X4

Dear Mr. Gaston,

Re: Follow-up of your Special Audit Report to the Speaker on the *Financial Framework Supporting the Legislative Assembly*

In response to your letter of May 30, 2008, attached is the Legislative Assembly's self-assessment monitoring report relative to the recommendations contained in your Special Audit Report of April 2007.

I trust this is to your satisfaction.

Sincerely,

E. George MacMinn, Q.C.
Clerk of the Legislative Assembly

Cc: Hon. Bill Barisoff, MLA, Speaker of the Legislative Assembly
Dan Arbic, Legislative Comptroller

Pro Forma Format for Monitoring Management Progress:

Special Audit Report to the Speaker on the Financial Framework Supporting the Legislative Assembly

OAG Key Recommendations	Actions Taken Since Report Issued	Results of Actions	Self-Assessed Progress I/P/AA/NA ¹
<p>Recommendation 1: A suitable internal audit provider be engaged to examine and report periodically to senior management on the operation of financial controls across all Vote 1 expenditure areas, including constituency offices.</p>	<ul style="list-style-type: none"> The Legislative Assembly Management Committee (LAMC) understands its responsibilities, under subsection 5(4) of the LAMC Act. It remains satisfied with the assurances provided by the Office of the Legislative Comptroller relative to the operation of financial controls across Vote 1. 	<ul style="list-style-type: none"> LAMC continues to rely on the established financial controls of the Office of the Legislative Comptroller, which the Auditor General judged to be, in all material aspects, sound. 	AA
<p>Recommendation 2: Clearer procedures, policies and guidelines for financial control be put in place, covering:</p> <ul style="list-style-type: none"> Types and frequency of financial procedures to be performed, and financial control reports to be produced and 	<ul style="list-style-type: none"> Branches and caucuses are provided with their respective financial reports on a monthly basis, and great scrutiny is exercised by branch leads and staff. Nothing of significance has recently materialized that would affect branches' financial plans. All branch directors understand the importance of managing within 	<ul style="list-style-type: none"> In the relatively small environment of the Legislative Assembly, current processes, well understood by senior management, continue to be applied, and significant financial matters can be addressed more expeditiously than in, say, a much larger public body. 	AA

¹ I – Recommendation has been fully or substantially implemented
P – Recommendation has been partially implemented
AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding
NA – No substantial action has been taken to address this recommendation

OAG Key Recommendations	Actions Taken Since Report Issued	Results of Actions	Self-Assessed Progress I/P/AA/NA ¹
<p>reviewed by the senior management team; and</p> <ul style="list-style-type: none"> Procedures for identifying, documenting and following up significant variances or changes to financial plans. 	<p>their respective allocations. Matters of considerable financial significance normally originate from the House or LAMC, without input from administrative Branches. Generally, at the branch level, processes are firmly in place to monitor financial position.</p>		
<p>Recommendation 3: Business Continuity and Disaster Recovery Plans covering financial systems in the Legislative Assembly be completed and periodically tested.</p>	<ul style="list-style-type: none"> The Office of the Legislative Comptroller will endeavour to complete its financial business continuity and disaster recovery plan in conjunction with Computer Systems branch. 	<ul style="list-style-type: none"> The development of the plan will address the Auditor General's finding. 	P (in process)
<p>Recommendation 4: Financial reporting requirements to the Legislative Assembly Management Committee be established and include regular reporting and discussions of actual to budget spending, as well as publicly available audited financial statements for Vote 1.</p>	<ul style="list-style-type: none"> LAMC has had other pressing matters affecting services to Members to deal with during the last year. This recommendation has yet to be discussed at a LAMC meeting. In the meanwhile, it remains satisfied with the assurances provided by the Office of the Legislative Comptroller relative to the operation of financial controls across Vote 1. LAMC is also satisfied with the public information provided in the annual Public Accounts. 	<ul style="list-style-type: none"> LAMC continues to rely on the established financial controls of the Office of the Legislative Comptroller, which the Auditor General judged to be, in all material aspects, sound. 	NA

OAG Key Recommendations	Actions Taken Since Report Issued	Results of Actions	Self-Assessed Progress I/P/AA/NA ¹
<p>Recommendation 5: A more clearly documented process be put into place for the production and approval of the annual operating and capital budget, including the respective roles of senior management and Legislative Assembly Management Committee members.</p>	<ul style="list-style-type: none"> The Assembly has a documented process for the production and approval of the annual operating and capital budgets, in the form of instructions from the Office of the Legislative Comptroller to all branch directors and Clerks accompanying the schedules request to be filled. The instructions point out what is expected to be provided, timelines, and the review process by the Legislative Comptroller and the Clerk Assistant, then by the Clerk of the Legislative Assembly, followed by the Speaker's review, culminating in a presentation to LAMC as a whole. 	<ul style="list-style-type: none"> In the relatively small environment of the Legislative Assembly, current processes, well understood by senior management, continue to be applied. 	AA

Reviewed and Approved:



Clerk of the Legislative Assembly